

Message Text

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ORIGIN STR-07

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 AGRE-00 EB-08
SIG-03 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-01
INR-10 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01
CTME-00 AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02
SOE-02 OMB-01 DOE-15 JUSE-00 /129 R

DRAFTED BY STR: TREAGAN
APPROVED BY EUR/RPE: AALBRECHT
USDA:TOYLOE
EB/OT/TA:DPATTERSON

-----089483 231712Z /43

R 231600Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY BRUSSELS
INFO AMEMBASSY BONN
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
USMISSION GENEVA

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USEEC, MTN

E.O. 11652: N/A

TAGS: EAGR, ETRD, EEC

SUBJECT: EC SUBSIDY PAYMENTS FOR PROCESSED FRUITS AND
VEGETABLES
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REF: BRUSSELS 09192

1. EC AUTHORITIES ARE NOW IN THE PROCESS OF ESTABLISHING
A LEVEL OF SUBSIDY PAYMENTS TO EC PROCESSORS TO TOMATO
CONCENTRATES, PEELED TOMATOES, TOMATO JUICE, CANNED
PEACHES, AND DRIED PRUNES. WE ARE ALARMED AND CONCERNED

OVER THE MAGNITUDE OF THE SUBSIDIES NOW BEING CONSIDERED (REFTEL). SUBSIDIES OF THIS SIZE WILL UNDOUBTEDLY RESULT IN THE SUBSTITUTION OF DOMESTIC PRODUCTS TO THE DETRIMENT OF U.S. EXPORTS TO THE EC. SHOULD THIS OCCUR, IT WOULD CONSTITUTE A SERIOUS IMPAIRMENT OF THE TRADE BENEFITS ACCRUING TO THE UNITED STATES AS A RESULT OF THE GATT BINDINGS ON SUCH PRODUCTS AS DRIED PRUNES AND CANNED PEACHES.

2. WE STRONGLY URGE THE EC TO REFRAIN FROM ANNOUNCING THE SUBSIDY LEVELS AT THIS TIME. WE WOULD LIKE THE OPPORTUNITY TO CONSULT ON THE LEVEL AND CONDITION OF THE SUBSIDY PARTICULARLY IN VIEW OF THE PRESENT MTN DISCUSSIONS AND OF THE IMMIMENT DECISION OF THE MIP PANEL.

THESE CONSULTATIONS COULD BE UNDERTAKEN AT THE U.S.-EC SEMI-ANNUAL CONSULTATIONS IN BRUSSELS SCHEDULED FOR MAY 25-26. OUR OBJECTIVE IS TO LIMIT SUBSIDY LEVELS SO THAT THE EFFECTIVE LEVEL OF SUPPORT, INCLUDING IMPORT DUTIES, TO EC AGRICULTURAL PRODUCERS DOES NOT DISRUPT TRADITIONAL TRADE PATTERNS.

3. FOR USEC: ACTION REQUESTED: PLEASE MAKE THE HIGHEST APPROPRIATE REPRESENTATIONS TO THE COMMISSION ALONG THE ABOVE LINES. DEPENDING ON THE RESULT OF YOUR CONTACTS, WE WILL CONSIDER MAKING SUPPORTING REPRESENTATIONS TO THE LIMITED OFFICIAL USE

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MEMBER STATES.

4. FYI. WE DID NOT PROTEST THE CONSIDERATION OF PRODUCTION SUBSIDIES EARLIER BECAUSE IN PRINCIPLE WE CANNOT OPPOSE SUCH SUBSIDIES GIVEN OUR OWN DEFICIENCY PAYMENTS PROGRAM. HOWEVER, WE CAN PROTEST THE SIZE OF THE SUBSIDY SHOULD IT DAMAGE U.S. EXPORTS, ESPECIALLY IF THE PRODUCTS INVOLVED HAVE BOUND DUTY RATES. END FYI. VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FRUITS, VEGETABLES, SUBSIDIES, REGIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: TREAGAN
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Executive Order: N/A
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ISecure: 1
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Review Action: RELEASED, APPROVED
Review Content Flags:
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